

**Sharla Dillon - Docket No: 05-00313**

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**From:** Carlos Black  
**To:** bovender@hsdlaw.com  
**Date:** 12/27/2005 2:27 PM  
**Subject:** Docket No: 05-00313  
**CC:** Dillon, Sharla; Edwards, Colleen

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Dear Mr. Bovender,

I am writing you regarding the above-referenced docket concerning the Application of Appalachian Power Company (Appalachian) Seeking Approval of the Tennessee Regulatory Authority (TRA) for Certain 2006 Financing Programs received on Tuesday, November 15, 2005.

Please clarify and/or inform the TRA if any Tennessee assets will be pledged in the financing transactions for which Appalachian is currently seeking approval. In the Data Response dated December 2, 2005, Appalachian indicated that Appalachian and Kingsport Power are separate entities, although both are subsidiaries of American Electric Power Company. Appalachian states that previously it has sought the TRA's approval for financing (transactions) because it owned Tennessee transmission assets that were pledged as collateral.

Per Appalachian's response to question 4 in the Data Response (Will any Tennessee assets [Kingsport Power Company] be pledged as collateral) Appalachian responded by stating that no assets owned by Kingsport Power Company will be pledged. Please provide clarification as to whether (any) Tennessee assets will be pledged in the financing transactions for which Appalachian is currently seeking approval. If Tennessee assets are being pledged, specify the particular assets pledged.

If you have any questions, or need further assistance, please call me at 615-741-2904, ext. 196. Please respond by sending the original and 13 copies to:

Ms. Sharla Dillon, Docket Room Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Thank you for your assistance in advance.

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